

LITIGATION ROSTER

SALES AND USE TAX

DECEMBER 2013

**Sales and Use Tax  
DECEMBER 2013**

**NEW CASES**

<u>Case Name</u>	<u>Court/Case Number</u>
KING, CITY OF	Sacramento County Superior Court Case No. 34-2013-80001672
MONTEBELLO, CITY OF	Sacramento County Superior Court Case No. 34-2013-80001703
SAN LEANDRO, CITY OF (III)	Sacramento County Superior Court Case No. 34-2013-80001708
JEMBER, ASCHILEW	Santa Clara County Superior Court Case No. 113CV257790

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**CLOSED CASES**

<u>Case Name</u>	<u>Court/Case Number</u>
ALHAMBRA, CITY OF	Los Angeles County Superior Court Case No. BS124978
LOS ANGELES, CITY OF	Los Angeles County Superior Court Case No. BS124950
PALMDALE, CITY OF	Los Angeles County Superior Court Case No. BS124919

**SALES AND USE TAX**  
**LITIGATION ROSTER**  
**DECEMBER 2013**

**ALAMEDA, CITY OF, et al. v. The California State Board of Equalization**

San Francisco Superior Court Case No. CPF-09-509234

Court of Appeal, First Appellate District Case No. A137186

*Plaintiff's Counsel*

Charles Coleman

Holland & Knight, LP

Filed –04/21/09

*BOE's Counsel*

Kris Whitten

*BOE Attorney*

John Waid

Issue(s): Whether BOE's characterization of transactions where the property sold is shipped to California customers from points out of state and the retailer has a business operation in Alameda as being subject to use tax is valid.

Audit/Tax Period: 1995 - Present

Amount: Unspecified

Status: The parties have stipulated and filed a motion to assign the *City of Alameda v. BOE, City of Brisbane v. BOE, and the City of South San Francisco v. BOE* to a single judge for all purposes. Trial began on October 17, 2011, and was continued to November 1, 2011. The trial commenced on October 17, 2011 and is still on-going. The Court accepted petitioners' argument and judgment was entered on September 18, 2012. The BOE had until November 20, 2012, to determine whether to appeal the decision. BOE filed its Notice of Appeal on November 16, 2012. A hearing on Petitioner's November 13, 2012 Motion for Attorney Fees, has been continued to February 5, 2013. After oral argument, court continued the matter to March 6, 2013 for further argument. Hearing has been continued to May 22, 2013.

Court of Appeal: BOE's opening briefs are due to be filed on or before April 2, 2013. After oral argument at the June 5, 2013 hearing, the court continued the hearing to August 14, 2013. Appellant's reply brief is due on November 20, 2013. On August 19, 2013, counsels for Appellants City of El Segundo and Cities of Alameda, et al., filed certificates of interested entities. In a letter to the court, the City of El Segundo joined the combined Respondents' brief and Appellants' opening brief of the Cities and will not file its own. BOE's response will be due 60 days after Appellants file their opening brief. On November 15, 2013, the parties' stipulated request to consolidate appeals was granted and the appeals were ordered consolidated for all purposes. BOE filed its reply brief on December 3, 2013, in its own appeal, and a Cross-Respondent's brief in the Petitioner's cross-appeal. The Intervenor's reply briefs were filed on December 19, 2013. The DOJ filed a stipulation for Extension of Time on behalf of the BOE on December 31, 2013. The new date for Petitioners to file their reply brief is February 20, 2014. New date for BOE to file its opening brief in the attorney fees part is March 3, 2014.

**BELLFLOWER, CITY OF, et al. v. State of California**

Sacramento Superior Court Case No. 34-2012-80001269

*Plaintiff's Counsel*

Michael G. Colantuono

Colantuono & Levin

Filed –09/19/12

*BOE's Counsel*

Kathleen Lynch

*BOE Attorney*

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: The BOE is a “remedial defendant” in this case. BOE filed its response on October 25, 2012. On November 9, 2012, the Court denied a notice by Respondents/Defendants to re-assign this case with League of California Cities, et al., under a single judge. The court agreed there are common legal issues but each have their own unique claims and questions of law and fact. Petitioners and Defendants have agreed to a schedule for filing briefs not later than August 9, 2013. The hearing is scheduled for September 20, 2013. After the hearing, the Court ordered additional briefing on specified issues. On October 4, 2013, the parties filed their supplemental briefs. On November 7, 2013, the court issued its ruling that the local sales and use tax withholding provisions of AB 1484 do not conflict with Propositions 1A and 22. The court also concluded that Propositions 1A and 22 do not prohibit the withholding of property tax revenues owed to successor agencies because, by their terms, neither proposition applies to successor agencies.

**BIG BEAR, CITY OF, et al. v. Ana J. Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-800015004

*Plaintiff's Counsel*

Iris P. Yang

T. Brent Hawkins

Best Best & Krieger

Filed –5/29/13

*BOE's Counsel*

Nancy Doig

*BOE Attorney*

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: The BOE is a “remedial defendant” in this case. A hearing regarding Petitioners' writ of mandate and complaint for injunctive and declaratory relief is scheduled for January 10, 2014. On November 22, 2013, Petitioners filed memorandum of points and authorities in support of petition for writ of mandate and complaint for injunctive and declaratory relief, and a request for judicial notice in support of the petition.

**BRISBANE, CITY OF v. The California State Board of Equalization**

San Francisco Superior Court Case No. CPF-09-509232

Court of Appeal, First Appellate District: A137185

*Plaintiff's Counsel*

Charles Coleman

Holland & Knight, LP

Filed –04/21/09

*BOE's Counsel*

Kris Whitten

*BOE Attorney*

John Waid

Issue(s): Whether BOE's characterization of transactions where the property sold is shipped to California customers from points out of state and the retailer has a business operation in Brisbane as being

subject to use tax is valid. The trial commenced on November 1, 2011, and was continued to December 8, 2011.

Audit/Tax Period: 2001 - Present

Amount: Unspecified

Status: The parties have stipulated and filed a motion to assign the *City of Alameda v. BOE, City of Brisbane v. BOE, and the City of South San Francisco v. BOE* to a single judge for all purposes. The trial commenced on October 17, 2011 and is still on-going. The Court accepted petitioners' argument and judgment was entered on September 18, 2012. The Board has until November 20, 2012, to determine whether to appeal the decision. The BOE had until November 20, 2012, to determine whether to appeal the decision. BOE filed its Notice of Appeal on November 16, 2012. A hearing on Petitioner's November 15, 2012 Motion for Attorney Fees, has been continued to February 5, 2013. After oral argument, court continued the matter from March 6, 2013 to May 22, 2013, for further argument.

Court of Appeal: BOE's Opening Briefs and the Joint Appendix are due to be filed on or before April 2, 2013. After oral argument at the June 5, 2013 hearing, the court continued the hearing to August 14, 2013. Appellant's reply brief is due on November 20, 2013. On August 19, 2013, counsels for Appellants City of El Segundo and Cities of Alameda, et al., filed certificates of interested entities. In a letter to the court, the City of El Segundo joined the combined Respondents' brief and Appellants' opening brief of the Cities and will not file its own. BOE's response will be due 60 days after Appellants file their opening brief. On November 15, 2013, the parties' stipulated request to consolidate appeals was granted and the appeals were ordered consolidated for all purposes. BOE filed its reply brief on December 3, 2013, in its own appeal, and a Cross-Respondent's brief in the Petitioner's cross-appeal. The Intervenor's reply briefs were filed on December 19, 2013. The DOJ filed a stipulation for Extension of Time on behalf of the BOE on December 31, 2013. The new date for Petitioners to file their reply brief is February 20, 2014. New date for BOE to file its opening brief in the attorney fees part is March 3, 2014.

**CALIFORNIA CITY, CITY OF, et al. v. Ana J. Matosantos, et al.**

Sacramento Superior Court Case No. 34-2012-80001501

Plaintiff's Counsel  
Kimberly Hall Barlow  
Jones & Mayer

Filed -05/24/13  
BOE's Counsel  
Kathleen Lynch  
BOE Attorney  
John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: The BOE is a "remedial defendant" in this case. Petitioner's Ex Parte Application for Temporary Restraining Order and Order to Show Cause filed on May 29, 2013, was denied by the court. On June 12, 2013, the court endorsed the Attorney General's letter filed with a proposed order regarding Petitioner's ex parte application for temporary restraining order. BOE's response to petitioner's writ of mandate and complaint was filed on July 15, 2013. On July 23, 2013, Department of Finance issued a demand letter ordering the California City Successor Agency to remit \$215,518.00 by August 22, 2013. On September 23, 2013, the Sacramento Superior Court ordered that Plaintiffs may amend their complaint. On September 30, 2013, Plaintiffs filed a first amended complaint for declaratory relief. BOE filed its answer to the first amended complaint and petition for writ of

mandate on October 29, 2013. On November 8, 2013, the attorney for Kern County Auditor-Controller's filed its answer to petition for writ of mandate and complaint.

**CORONADO, CITY OF, et al. v. Ana J. Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-00145407

*Plaintiff's Counsel*

Murray O. Kane

Donald P. Johnson

Kane, Ballmer & Berkman

Filed -06/18/13

*BOE's Counsel*

Nelson Richards

*BOE Attorney*

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: A Case Management Conference is scheduled for November 21, 2013. On November 13, 2013, Plaintiffs filed a stipulation and order to dismiss this action, and refile in the writ department. On November 25, 2013, Plaintiffs filed a petition for writ of mandate and complaint for declaratory and injunctive relief. On December 3, 2013, Plaintiffs filed a notice of hearing on petition for writ of mandate and complaint for declaratory and injunctive relief. On December 19, 2013, attorneys for the Respondents and Defendants filed their answers to the petition.

**CYPRESS, CITY OF, et al. v. Ana J. Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-80001585

*Plaintiff's Counsel*

Dan Slater

Rutan & Tucker

Filed -08/01/13

*BOE's Counsel*

Alexandra R. Gordon

*BOE Attorney*

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: BOE filed its response on September 4, 2013. On November 6, 2013, Plaintiffs filed a stipulation regarding compliance with issued writ of mandate, judgment, and/or final ruling by and between Petitioners and Real Party in Interest. On December 13, 2013, Plaintiffs filed a Stipulation regarding compliance with issued writ of mandate, judgment, and/or final ruling by and between petitioners and real party in interest; Order regarding compliance with issued writ of mandate, judgment, and/or final ruling.

**DANSIG, INC. v. CA State Board of Equalization and Does 1 through 50**

Sacramento Superior Court Case No. 34-2012-00134800

*Plaintiff's Counsel*

Steven E. Paganetti

Wild, Carter & Tipton

Filed -11/2/2012

*BOE's Counsel*

Steven J. Green

*BOE Attorney*

Kiren Chohan

Issue(s): The issue in this case is whether Plaintiff is entitled to a refund of sales tax paid ([Rev. & Tax. Code sections 6051, 6091](#)), ([Rev. & Tax. Code section 6561](#)) and ([Rev. & Tax. Code section 6902](#)).

Audit/Tax Period: None

Amount: \$70,304.48

Status: BOE's response, due by April 19, 2013, was filed on April 16, 2013. Plaintiff filed its response on May 20, 2013. Plaintiff filed its response to BOE's request for production of documents on July 5, 2013. BOE will serve its responses to Plaintiff's outstanding discovery requests on September 3, 2013. BOE will have to and including September 13, 2013, to respond to Plaintiff's amended first production request, form interrogatories and requests for admission. A case management conference is scheduled for September 12, 2013. By agreement of the parties, all discovery, including pending responses and any discovery motion, has been delayed to and including October 29, 2013. On October 23, 2013, BOE made a settlement offer to Plaintiff. Plaintiff accepted BOE's settlement offer on November 7, 2013.

**DINUBA, CITY OF, et al. v. Ana J. Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-80001518

Plaintiff's Counsel  
Daniel T. McCloskey  
Tuttle & McCloskey

Filed -06/07/13  
BOE's Counsel  
Nancy Doig  
BOE Attorney  
John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: BOE filed its response on July 11, 2013.

**D.R. SYSTEMS, INC. v. State of California; State Board of Equalization**

San Diego County Superior Court Case No. 37-2009-00094087

Court of Appeal, Fourth Appellate District: D060856

Plaintiff's Counsel  
Scott Savary  
Savary, APC

Filed -  
BOE's Counsel  
Leslie Branman Smith  
BOE Attorney  
Renee Carter

Issue(s): Did plaintiff file a timely Claim for Refund for self-help credits subsequently disallowed during an audit by the BOE's Sales & Use Tax Department?

Audit/Tax Period: 04/01/02 – 12/31/05

Amount: \$283,410.00

Status: In the court's Minute Order dated May 24, 2011, BOE's Motion for Summary Judgment was granted. Plaintiff's motion for reconsideration of the court's ruling denying the plaintiff's motion for summary judgment was denied on September 9, 2011. Plaintiff filed a Notice of Appeal on November 2, 2011, and BOE filed its Objection to Notice of Appeal on November 3, 2011, citing that the Plaintiff's time to file a notice of appeal lapsed on September 6, 2011.

Court of Appeal: On December 23, 2011, the Court of Appeal accepted the Plaintiff's Notice of Appeal upon its filing the Judgment. The case is fully briefed in the Court of Appeal. Oral arguments, set for February 11, 2013, were heard and submitted to the Court. On March 7, 2013 the Court of Appeal reversed the trial court judgment and ruled that the parties shall bear their own costs on appeal.

Trial Court: A Status Conference was held on June 21, 2013. The trial is scheduled for January 24, 2014. Stipulation for settlement, signed by the parties on September 24, 2013, is pending the Court's approval. On October 8, 2013, a settlement was reached. On November 7, 2013, the settlement check was mailed to Plaintiff. On December 3, 2013, the trial readiness conference was scheduled for January 10, 2014.

**EL CERRITO, CITY OF v. Michael Cohen, et al.**

Sacramento County Superior Court Case No. 34-2013-80001671

Plaintiff's Counsel

Sky Woodruff

Meyers, Nave, Ribak, Silver & Wilson

Filed – 10/22/13

BOE's Counsel

Patty Li

BOE Attorney

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: Petitioners filed a new lawsuit for Writ of Mandate and Complaint for Declaratory Relief, on October 22, 2013. An amended petition was filed on October 25, 2013. BOE will file a timely response.

**EL CERRITO REDEVELOPMENT AGENCY SUCCESSOR AGENCY, et al. v. Michael Cohen, et al.**

Sacramento County Superior Court Case No. 34-2013- 80001671

Plaintiff's Counsel

Dante Foronda

Meyers, Nave, Ribak, Silver & Wilson

Filed – 10/22/13

BOE's Counsel

Patty Li

BOE Attorney

John Waid

Issue(s): The Court should enjoin Finance from: (1) demanding that the Successor Agency remit \$1,981,989.00 to the Contra Costa County Auditor-Controller for the purposes of distributing the funds to affected taxing entities pursuant to California Health & Safety Code Section 34179.5, as added by Assembly Bill 1484 ("AB 1484"), and (2) directing Petitioners to reverse the \$1,981,989.00 in tax increment payments, \$10,168,319.00 in property conveyances and a payment of \$400,243.00 in bond proceeds by the El Cerrito Redevelopment Agency. Petitioners also request an order that the self-help provisions of AB 1484 are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: On December 2, 2013, the DOJ, attorney for State Respondents, filed notice of representation of the BOE in lieu of response to complaint. State Respondents filed their answer to amended petition for writ of mandate and complaint for declaratory relief on the same date. On December



10, 2013, Real Party in Interest, Alameda-Contra Costa Transit District filed its response and answer to amended petition for writ of mandate and complaint for declaratory relief.

**GMRI, INC. v. State Board of Equalization**

Sacramento Superior Court Case No. 34-2013-001145890

*Plaintiff's Counsel*

Eric J. Coffill  
Morrison & Foerster LLP

Filed -06/3/13

*BOE's Counsel*

Steven J. Green  
*BOE Attorney*  
John Waid

Issue(s): Plaintiff alleges that the tips that taxpayers added to their restaurant bills do not qualify as "mandatory" within the meaning of [Regulation 1602](#). Mandatory tips are not part of the gross receipts received by the taxpayers for their sales of meals.

Audit/Tax Period: None

Amount: Unspecified

Status: BOE has to and including September 23, 2013, to file its response. The due date for BOE's response has been extended from September 23, 2013, until and including November 8, 2013.

**GOLETA, CITY OF, et al. v. Ana J. Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-8000521

*Plaintiff's Counsel*

Tim W. Giles  
Gibson, Dunn & Crutcher, LLP

Filed -06/10/13

*BOE's Counsel*

John Killeen  
*BOE Attorney*  
John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: On July 26, 2013, the AG's office filed a notice of representation of BOE in lieu of a response to the complaint. A hearing on Petitioners' motion for preliminary injunction is scheduled for December 6, 2013. On November 21, 2013, Plaintiffs filed a first amended verified petition for writ of mandate, declaratory relief, injunctive relief and validation action. On November 27, 2013, Plaintiffs filed a request for judicial notice in support of their reply brief in support of their motion for preliminary injunction. On December 6, 2013, the Court heard oral argument on Plaintiff's motion for a preliminary injunction. The Court took the matter under submission. On December 19, 2013, Plaintiffs filed a status conference statement regarding motion for preliminary injunction.

**HUNTINGTON BEACH, CITY OF, et al. v. CA Director of Finance**

Sacramento Superior Court Case No. 34-2013-80001441

*Plaintiff's Counsel*

Murray O. Kane  
Kane, Ballmer & Berkman

Filed -03/15/2013

*BOE's Counsel*

Susan K. Smith  
*BOE Attorney*  
John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: BOE's response was filed on April 17, 2013. A hearing is scheduled for October 25, 2013. On October 13, 2013, State Respondents filed their objections to Petitioners surreply and evidence submitted with surreply. Petitioners opening brief is due on November 15, 2013. Respondents reply briefs are due by December 6, 2013. Petitioners filed their opening brief on November 15, 2013. On December 6, 2013, Respondents filed a request for judicial notice, and a supplemental reply opposition to the petition for writ of mandate.

**INGLEWOOD, CITY OF v. Ana J. Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-80001591

Plaintiff's Counsel

Murray O. Kane

Kane, Ballmer & Berkman

Filed – 08/08/13

BOE's Counsel

Benjamin Glickman

BOE Attorney

John Waid

Issue(s): Dispute is over certain provisions of AB1484 (2012). Petitioners allege that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: Notice of hearing on petition for writ of mandate is scheduled for December 20, 2013. BOE will file a timely response. On September 23, 2013 BOE filed its response. On November 15, 2013, BOE filed a request for judicial notice in support of opposition to petition for writ of mandate and complaint for declaratory and injunctive relief. On December 5, 2013, Petitioners filed their reply brief in support of petition for writ of mandate. Petitioners also filed supplemental request for judicial notice on the same day. On December 16, 2013, Petitioners filed its surreply in support of their opening brief. The Court issued a tentative ruling on December 19, 2013, that denied the petition for writ of mandate. The Petitioner requested oral argument. The Court heard oral argument and took the matter under submission, and requested additional briefing. The Court ordered parallel ten page additional briefs to be filed by January 17, 2014.

**INTAGLIO CORPORATION v. State Board of Equalization**

Sacramento Superior Court Case No. 05AS02558

Plaintiff's Counsel

R. Todd Luoma

Law Offices of Richard Todd Luoma

Filed – 06/13/05

BOE's Counsel

Steven J. Green

BOE Attorney

Jeffrey Graybill

Issue(s): Whether plaintiff can exempt from tax its charges for special printing aids ([Regulation 1541](#)).

Audit/Tax Period: 04/01/97-12/31/00

Amount: \$208,513.38

Status: Pending trial setting.

**IRVINE, CITY OF v. California State Board of Equalization**

San Francisco Superior Court Case No. CPF-11-511586

*Plaintiff's Counsel*

Charles L. Colman III

Holland &amp; Knight

Filed – 9/19/11

*BOE's Counsel*

Kris Whitten

*BOE Attorneys*

John Waid/Kiren Chohan

Issue(s): Whether BOE has violated the [Bradley-Burns Uniform Local Tax Law](#), wherein BOE purportedly improperly distributed local sales tax revenues from transactions involving sales negotiated in the City of Irvine and fulfilled by shipment of merchandise from out of state. This case is held in abeyance by trial court pending rulings in the Alameda, Brisbane, and South San Francisco cases.

Audit/Tax Period: NoneAmount: Unspecified

Status: On September 19, 2011, Plaintiff filed a Petition for Writ of Mandate and Complaint. BOE filed its Answer in response on November 2, 2011.

**IRVINE II, CITY OF v. California State Board of Equalization**

Sacramento County Superior Court Case No. 34-2013-80001682

*Plaintiff's Counsel*

Filed – 11/05/13

*BOE's Counsel*

Seth Goldstein

*BOE Attorney*

John Waid

Issue(s): Petitioners contend: Dispute is over certain provisions of AB 1484 (2012). Petitioners allege that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: NoneAmount: Unspecified

Status: Plaintiffs have indicated they intend to dismiss BOE from this case.

**ISTRIN, JONATHAN v. Ralphs Grocery Company, California State Board of Equalization**

(Class Action Complaint for Constructive Trust, etc.)

San Francisco Superior Court Case No. CPF-09-509234

*Plaintiff's Counsel*

Jordan L. Lurie, Joel E. Elkins

Weiss &amp; Lurie

Filed – 03/20/09

*BOE's Counsel*

Elisa Wolfe-Donato

*BOE Attorney*

John Waid

Issue(s): Plaintiff contends that Ralphs improperly collected sales tax reimbursement on sales of hot coffee to go. Plaintiff seeks an injunction against Ralphs. Plaintiff also seeks an order that Ralphs institute a system to accurately track tax on sales of hot coffee to go and to make refund applications to BOE, and an injunction ordering BOE to act on Ralphs' refund applications and to deposit moneys already collected with the court. BOE contends that the court lacks jurisdiction of this case because plaintiff lacks standing to bring a suit to adjudicate a sales tax dispute. Plaintiff may not use remedies not authorized by the Legislature.

Audit/Tax Period: None

Amount: Unspecified

Status: First Amended Complaint was served on all parties on March 15, 2010. The parties negotiated a stay of proceedings pending the results in *Loeffler*, and the Stipulation was filed on June 2, 2010. On May 14, 2013, the Court issued an Order to Show Cause and scheduled hearing for June 12, 2013. The court granted Defendants a continuance of the hearing to September 30, 2013. The Court has scheduled an order to show cause hearing on January 13, 2014, for failure to prosecute and dismissal; status of decision in the *Loeffler* case; and status of stay. A second hearing is scheduled for March 18, 2014, for a case and 5 year status review.

**JEMBER, ASCHILEW. FEREDÉ NEGASH, AND LEILTI MESFIN, et al. v. California State Board of Equalization, et al.**

Santa Clara County Superior Court Case No. 113CV257790

Plaintiff's Counsel  
Plaintiffs in Pro Per

Filed –12/05/13

BOE's Counsel

Jeffrey Vincent

BOE Attorney

W. Gregory Day

Issue(s): Plaintiffs contend that the BOE Defendants caused Plaintiffs injury resulting in damages in excess of \$375,000.00 as a result of the creation and implementation of a racially-motivated KKK system of fraudulent tax liability claims aimed at the Plaintiffs, during the course of which the BOE Defendants used false levies to induce the Bank Defendants to hand over funds in Plaintiffs' accounts to the BOE Defendants. The BOE Defendants used an "Institutional Racism Pilot Program" to injure Plaintiffs and their business activities.

Audit/Tax Period: None

Amount: Unknown

Status: BOE will file a timely response.

**KING CITY, CITY OF, et al. v. Michael Cohen, et al.**

Sacramento Superior Court Case No. 34-2013- 80001672

Plaintiff's Counsel

Filed –12/05/13

BOE's Counsel

Robert Wilson

BOE Attorney

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: On December 23, 2013, attorney for Respondents, BOE, John Chiang and Michael Cohen filed its answer to the petition for writ of mandate and complaint for declaratory and injunctive relief.

**LAKEWOOD, CITY OF, et al. v. Ana J. Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-80001683

Filed -08/01/13

BOE's Counsel

Sylvia Cates

BOE Attorney

John Waid

Plaintiff's Counsel

Holly O. Whatley

Colantuono &amp; Levin

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: NoneAmount: Unspecified

Status: On November 5, 2013, Plaintiffs filed a complaint for declaratory and injunctive relief, and petition for writ of mandate. On December 13, 2013, DOJ filed an answer on behalf of the Director of the DOF, and notice of representation of the BOE, in lieu of response to the complaint for declaratory and injunctive relief and petition for writ of mandate.

**LEAGUE OF CALIFORNIA CITIES, et al. v. Ana Matosantos**

Sacramento Superior Court Case No. 34-2012-80001275

Filed -09/27/12

BOE's Counsel

Kathleen Lynch

BOE Attorney

John Waid

Plaintiff's Counsel

Ann Taylor Schwing

Best Best &amp; Krieger LLP

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: NoneAmount: Unspecified

Status: The BOE is a "remedial defendant" in this case. BOE's response was due and was filed on November 20, 2012. Petitioners file a Petitioners' Memorandum of Points and Authorities in Support of Petition for Writ of Mandate and Complaint for Injunctive Relief on February 1, 2013. BOE's response was due and was filed on March 12, 2013. On July 10, 2013, the Petitioners' request for declaratory relief and for all other relief related to their request such as injunctive relief and issuance of a writ of mandate was denied. Judgment was entered in favor of respondents. Petitioners filed their third request for judicial notice; a motion for reconsideration or a new trial on their petition for writ of mandate and complaint for injunctive and declaratory relief; and a notice of intent to move for a new trial on July 22, 2013. Petitioners filed their fourth request for judicial notice and a supporting memorandum of points and authorities on August 21, 2013. On September 20, 2013, the Court heard oral argument on Petitioner's motion for reconsideration, or new trial on complaint for declaratory and injunctive relief and petition for writ of mandate. The Court granted the motion for judicial notices. BOE, consistent with its no-position stance, is not participating in this motion. The Court ordered a new round of briefing to be completed by November 1, 2013. BOE is not participating. New hearing is set for November 15, 2013. On November 14, 2013, the County of Santa Clara filed its surreply. The case is now under submission. On December 9, 2013, the trial court issued a ruling in favor of Plaintiffs and Petitioners. No Judgment or writ has been issued yet. On December 13, 2013, the DOF issued to the BOE a letter suspending its prior orders for the BOE to withhold local sales and use tax revenues from the Cities of Ontario, Cerritos and Pinole.

**LIVINGSTON, CITY OF, et al. v. Ana Matosantos**  
Sacramento Superior Court Case No. 34-2013-80001460

*Plaintiff's Counsel*

Deborah J. Fox  
Meyers, Nave, Riback, Silver & Wilson

Filed –4/12/2013

*BOE's Counsel*

Michael Glen Witmer

*BOE Attorney*

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: The BOE is a “remedial defendant” in this case. BOE filed its response on May 13, 2013. Trial date is set for January 10, 2014. On November 8, 2013, Plaintiffs filed their opening brief in support of petition for writ of mandate. On November 12, 2013, Plaintiffs filed notice of hearing on petition for writ of mandate. On December 6, 2013, Respondents filed memorandum of points and authorities in opposition to petition for writ of mandate. Respondents also filed objections to Petitioners' evidence and declarations in support of petition for writ of mandate.

**LOEFFLER, KIMBERLY and AZUCENA LEMUS v. TARGET CORPORATION**

*(Amicus Curiae Brief)*

California Supreme Court Case No. S173972

Court of Appeal, Second Appellate District, Case No. B199287

Filed – 12/15/2008

*BOE's Counsel*

None

*BOE Attorney*

John Waid

Issue(s): This action (between Loeffler and Target to which the BOE was not a party and was not informed of the existence of the litigation) alleges that Target had illegally collected sales tax reimbursement on sale of hot coffee to go. Loeffler sued Target in superior court under the Unfair Competition Law ([UCL-Bus. & Prof. Code, §§ 17200 et seq.](#))

Audit/Tax Period: None

Amount: Unspecified

Status: The trial court dismissed the case on the grounds that there is no private right of action that permits customers to sue retailers in matters relating to sales tax.

Court of Appeal: On December 6, 2008, the court of appeal granted BOE's application to file an amicus brief in support of Target. In a published decision issued May 12, 2009, the Second District Court of Appeal upheld the BOE's position and affirmed the decision of the trial court on all counts.

CA Supreme Court: The court granted BOE's application to file an amicus brief and supplemental brief in support of Respondent Target, filed respectively on April 15, 2010 and July 8, 2011. The court has ordered the parties to submit a letter brief by April 26, 2013, on the issue of primary jurisdiction of the BOE. Supplemental reply briefs and amicus curiae briefs were filed on behalf of Respondents and Petitioners in April 2013 in response to the judges' order regarding primary jurisdiction of the BOE. On December 16, 2013, The Supreme Court posed additional questions to the parties and directed them to serve and file simultaneous supplemental briefs on or before January 13, 2014. On December 23, 2013, the Court issued an order requiring the parties to file supplemental

briefs as to whether the Plaintiffs could bring an action under the Unfair Competition Law (UCL) or Consumer Legal Remedies Act (CLRA). The deadline to serve and file simultaneous reply briefs was on or before January 27, 2014. Oral argument in the Supreme Court was set for February 4, 2014.

**LOMA LINDA, CITY OF v. Ana J. Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-80001583

*Plaintiff's Counsel*

Dan Slater

Rutan & Tucker

Filed –07/31/13

*BOE's Counsel*

Benjamin Glickman

*BOE Attorney*

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: BOE will file a timely response. Department of Justice (DOJ) filed its Notice of Representation of the BOE on September 6, 2013. On October 4, 2013, DOJ filed a notice of representation of the BOE in lieu of a response to the verified petition for writ of mandate and declaratory and injunctive relief. On December 13, 2013, Plaintiffs filed a stipulation regarding compliance with issued writ of mandate judgment, and/or final ruling; Order regarding compliance with issued writ of mandate, judgment, and/or final ruling.

**LOS BANOS DESIGNATED LOCAL AUTHORITY v. CA Director of Finance, Ana Matosantos, et al.**

Sacramento Superior Court Case No. 34-2012-80001352

*Plaintiff's Counsel*

John G. McClendon

Leibold McClendon & Mann, P.C.

Filed –12/28/2012

*BOE's Counsel*

Jeff Rich

*BOE Attorney*

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: The BOE is a “remedial defendant” in this case and has an open extension of time to respond to the petition.

**LUCENT TECHNOLOGIES, INC. I, et al. v. State Board of Equalization of the State of California**

Los Angeles Superior Court Case No. BC402036

*Plaintiff's Counsel*

Jeffrey G. Varga

Paul, Hastings, Janofsky & Walker LLP

Filed – 11/14/08

*BOE's Counsel*

Ronald Ito

*BOE Attorney*

Jeffrey Graybill

Issue(s): (1) Does the sale of software qualify for technology transfer agreement treatment; (2) have the plaintiffs established that the engineering and support charges are related to sales of tangible



personal property; and (3) did plaintiffs use the prior agreement to calculate their tax liability for the subject quarter. (Revenue and Taxation Code sections [6012](#) and [6010.9](#); Regulations [1502](#) and [1507](#).)

Audit/Tax Period: 1/1/95 - 12/31/99

Amount: \$3,480,913.12

Status: On December 21, 2010, the court issued its order consolidating *Lucent Technologies, Inc. v. BOE* (Lucent I), LASC Case No. BC402036, and *Lucent Technologies, Inc. v. BOE* (Lucent II), LASC Case No. BC448715. Lucent I is designated the lead case. Lucent's Answer to BOE's Cross-Complaint for Unpaid Interest was filed February 4, 2011. BOE staff, through the DOJ, has performed a significant amount of discovery, and we have recently been taking depositions of Plaintiffs' witnesses. BOE staff is also working on responding to discovery requests from the Plaintiffs. Cross motions for summary adjudication and/or summary judgment have been filed, and the parties are working on opposition briefs. The hearing date for the cross motions is July 24, 2013. The final status conference is set for August 16, 2013. The trial date is set for September 23, 2013. The hearing on the parties' motions for summary judgment and/or summary adjudication was held on August 26, 2013. If the court does not grant either party's motion for summary judgment, the FSC is rescheduled to October 25, 2013, and the trial is set for November 4, 2013. The Court entered a Minute Order on September 27, 2013, granting Plaintiff's motion for summary judgment, and denying BOE's motion for summary judgment. The Court requested the parties to submit further briefing on whether Plaintiffs are entitled to prejudgment interest. The court heard argument on the subject of prejudgment interest on November 18, 2013, and took the matter under submission to review the parties' arguments. On December 4, 2013, the Court entered a minute order, ruling in favor of BOE and adopting BOE's calculations. On December 30, 2013, BOE filed an objection to the proposed judgment submitted to the Court by Plaintiffs.

**LUCENT TECHNOLOGIES, INC. II v. State Board of Equalization of the State of California**

Los Angeles Superior Court Case No. BC448715

Filed – 11/02/2010

*Plaintiff's Counsel*

Jeffrey G. Varga, Julian Decyk

Paul, Hastings, Janofsky & Walker LLP

*BOE's Counsel*

Stephen Lew

*BOE Attorney*

Jeffrey Graybill

Issue(s): Does the sale of software qualify for technology transfer agreement treatment. (Revenue and Taxation Code sections [6012](#) and [6010.9](#); Regulations [1502](#) and [1507](#).)

Audit/Tax Period: 2/1/96 – 9/30/00

Amount: \$22,493,838.00

Status: On December 21, 2010, the court issued its order consolidating *Lucent Technologies, Inc. v. BOE* (Lucent I), LASC Case No. BC402036, and *Lucent Technologies, Inc. v. BOE* (Lucent II), LASC Case No. BC448715. Lucent I is designated the lead case. The final settlement conference and trial dates were vacated. The final status conference is set for August 16, 2013. The trial date is set for September 23, 2013. The hearing on the parties' motions for summary judgment and/or summary adjudication was held on August 26, 2013. If the court does not grant either party's motion for summary judgment, the FSC is rescheduled to October 25, 2013, and the trial is set for November 4, 2013. The Court entered a Minute Order on September 27, 2013, granting Plaintiff's motion for summary judgment, and denying BOE's motion for summary judgment. The Court requested the parties to submit further briefing on whether Plaintiffs are entitled to prejudgment interest. The court heard argument on the subject of prejudgment interest on November 18, 2013, and took the matter



under submission to review the parties' arguments. On December 4, 2013, the Court entered a minute order, ruling in favor of BOE and adopting BOE's calculations. On December 30, 2013, BOE filed an objection to the proposed judgment submitted to the Court by Plaintiffs.

**McCLAIN, MICHAEL, et al. v. Sav-On Drugs, et al.**

**Cross Complaint: Albertson's Inc., et al. v. The California State Board of Equalization**

Los Angeles Superior Court Case No. BC325272

Filed – 02/24/06

BOE's Counsel

Bonnie Holcomb

BOE Attorney

John Waid

Plaintiffs' Counsel

Philip J. Eskanazi, Lee A. Cirsch

Akin, Gump, Strauss, Haur & Feld LLP

Issue(s): Whether sales tax reimbursement was illegally being collected on the sale of glucose test strips and skin puncture lancets which were exempt from sales tax ([Regulation 1591.1](#)).

Audit/Tax Period: None

Amount: Unspecified

Status: By order dated November 17, 2007, the trial court ruled in favor of defendants Sav-on Drugs, et al., that sales tax was properly applied to these transactions. Further issues not involving the BOE are still pending. On July 6, 2011, the court heard Walgreen's motion for summary judgment or summary adjudication of issues. The court denied summary judgment as to all issues against both plaintiffs. The court granted summary adjudication as to the sales of skin lancets as to both plaintiffs and as to the sales of glucose test strips as to plaintiff Feigenblatt. Plaintiff Feigenblatt was dismissed from the case. Plaintiff McClain remains in the case but only as to sales of glucose test strips. The court did not grant summary judgment as to all causes of action because the court is still awaiting the California Supreme Court's ruling in *Loeffler*. Plaintiffs' motion to compel discovery and defendants' motion for judgment on the pleadings is continued, along with the Status Conference, from September 27, 2011, to October 25, 2011. At the hearing, the Court continued the stay on the Plaintiff's motion to compel discovery and defendants' motion for judgment on the pleadings. A Joint Status Report regarding *Loeffler* and the parties' recommendations for discussion must be submitted on January 11, 2012, for the February 1, 2012 hearing. The October 21, 2013 status conference was continued to June 17, 2014.

**McCLAIN, MICHAEL, et al. v. Sav-On Drugs, et al.**

**Cross-Complaint: CVS, Inc. v. California State Board of Equalization**

Los Angeles Superior Court Case No. BC325272

Filed – 01/24/06

BOE's Counsel

Bonnie Holcomb

BOE Attorney

John Waid

Plaintiffs' Counsel

Richard T. Williams

Holland & Knight LLP

Issue(s): Whether sales tax reimbursement was illegally being collected on the sale of glucose test strips and skin puncture lancets which were exempt from sales tax ([Regulation 1591.1](#)).

Audit/Tax Period: None

Amount: Unspecified

Status: By order dated November 17, 2007, the trial court ruled in favor of defendants Sav-on Drugs, et al., that sales tax was properly applied to these transactions. Further issues not involving the BOE are still pending. On July 6, 2011, the court heard Walgreen's motion for summary judgment or summary adjudication of issues. The court denied summary judgment as to all issues against both plaintiffs. The court granted summary adjudication as to the sales of skin lancets as to both plaintiffs and as to the sales of glucose test strips as to plaintiff Feigenblatt. Plaintiff Feigenblatt was dismissed from the case. Plaintiff McClain remains in the case but only as to sales of glucose test strips. The court did not grant summary judgment as to all causes of action because the court is still awaiting the California Supreme Court's ruling in *Loeffler*. Plaintiffs' motion to compel discovery and defendants' motion for judgment on the pleadings is continued, along with the Status Conference, from September 27, 2011, to October 26, 2011. At the hearing, the Court continued the stay on the Plaintiff's motion to compel discovery and defendants' motion for judgment on the pleadings. A Joint Status Report regarding *Loeffler* and the parties' recommendations for discussion must be submitted on January 11, 2012, for the February 1, 2012 hearing. The October 21, 2013 status conference was continued to June 17, 2014.

**McCLAIN, MICHAEL, et al. v. Sav-On Drugs, et al.**

**Cross-Complaint: Longs Drug Stores Corporation, et al. v. California State Board of Equalization**

Los Angeles Superior Court Case No. BC325272

Filed – 01/24/06

BOE's Counsel

Bonnie Holcomb

BOE Attorney

John Waid

Plaintiffs' Counsel

Douglas A. Winthrop, Christopher Kao

Howard, Rice, Nemerovski, Canady, Falk & Rabkin

Issue(s): Whether sales tax reimbursement was illegally being collected on the sale of glucose test strips and skin puncture lancets which were exempt from sales tax ([Regulation 1591.1](#)).

Audit/Tax Period: None

Amount: Unspecified

Status: By order dated November 17, 2007, the trial court ruled in favor of defendants Sav-on Drugs, et al., that sales tax was properly applied to these transactions. Further issues not involving the BOE are still pending. On July 6, 2011, the court heard Walgreen's motion for summary judgment or summary adjudication of issues. The court denied summary judgment as to all issues against both plaintiffs. The court granted summary adjudication as to the sales of skin lancets as to both plaintiffs and as to the sales of glucose test strips as to plaintiff Feigenblatt. Plaintiff Feigenblatt was dismissed from the case. Plaintiff McClain remains in the case but only as to sales of glucose test strips. The court did not grant summary judgment as to all causes of action because the court is still awaiting the California Supreme Court's ruling in *Loeffler*. Plaintiffs' motion to compel discovery and defendants' motion for judgment on the pleadings is continued, along with the Status Conference, from September 27, 2011, to October 26, 2011. At the hearing, the Court continued the stay on the Plaintiff's motion to compel discovery and defendants' motion for judgment on the pleadings. A Joint Status Report regarding *Loeffler* and the parties' recommendations for discussion must be submitted on January 11, 2012, for the February 1, 2012 hearing. The October 21, 2013 status conference was continued to June 17, 2014.

**McCLAIN, MICHAEL, et al. v. Sav-On Drugs, et al.**  
**Cross-Complaint: Rite Aid v. The California State Board of Equalization**

Los Angeles Superior Court Case No. BC325272

Filed – 01/24/06

BOE's Counsel

Bonnie Holcomb

BOE Attorney

John Waid

Plaintiffs' Counsel

Douglas C. Rawles

ReedSmith LLP

Issue(s): Whether sales tax reimbursement was illegally being collected on the sale of glucose test strips and skin puncture lancets which were exempt from sales tax ([Regulation 1591.1](#)).

Audit/Tax Period: None

Amount: Unspecified

Status: By order dated November 17, 2007, the trial court ruled in favor of defendants Sav-on Drugs, et al., that sales tax was properly applied to these transactions. Further issues not involving the BOE are still pending. On July 6, 2011, the court heard Walgreen's motion for summary judgment or summary adjudication of issues. The court denied summary judgment as to all issues against both plaintiffs. The court granted summary adjudication as to the sales of skin lancets as to both plaintiffs and as to the sales of glucose test strips as to plaintiff Feigenblatt. Plaintiff Feigenblatt was dismissed from the case. Plaintiff McClain remains in the case but only as to sales of glucose test strips. The court did not grant summary judgment as to all causes of action because the court is still awaiting the California Supreme Court's ruling in *Loeffler*. Plaintiffs' motion to compel discovery and defendants' motion for judgment on the pleadings is continued, along with the Status Conference, from September 27, 2011, to October 26, 2011. At the hearing, the Court continued the stay on the Plaintiff's motion to compel discovery and defendants' motion for judgment on the pleadings. A Joint Status Report regarding *Loeffler* and the parties' recommendations for discussion must be submitted on January 11, 2012, for the February 1, 2012 hearing. The October 21, 2013 status conference was continued to June 17, 2014.

**McCLAIN, MICHAEL, et al. v. Sav-On Drugs, et al.**

**Cross-Complaint: Wal-Mart Stores, Inc. v. The California State Board of Equalization**

Los Angeles Superior Court Case No. BC325272

Filed – 02/24/06

BOE's Counsel

Bonnie Holcomb

BOE Attorney

John Waid

Plaintiffs' Counsel

Gail E. Lees, Brian Walters

Gibson, Dunn & Crutcher LLP

Issue(s): Whether sales tax reimbursement was illegally being collected on the sale of glucose test strips and skin puncture lancets which were exempt from sales tax ([Regulation 1591.1](#)).

Audit/Tax Period: None

Amount: Unspecified

Status: By order dated November 17, 2007, the trial court ruled in favor of defendants Sav-on Drugs, et al., that sales tax was properly applied to these transactions. Further issues not involving the BOE are still pending. On July 6, 2011, the court heard Walgreen's motion for summary judgment or summary adjudication of issues. The court denied summary judgment as to all issues against both plaintiffs. The court granted summary adjudication as to the sales of skin lancets as to both plaintiffs and as to the sales of glucose test strips as to plaintiff Feigenblatt. Plaintiff Feigenblatt was

dismissed from the case. Plaintiff McClain remains in the case but only as to sales of glucose test strips. The court did not grant summary judgment as to all causes of action because the court is still awaiting the California Supreme Court's ruling in *Loeffler*. Plaintiffs' motion to compel discovery and defendants' motion for judgment on the pleadings is continued, along with the Status Conference, from September 27, 2011, to October 26, 2011. At the hearing, the Court continued the stay on the Plaintiff's motion to compel discovery and defendants' motion for judgment on the pleadings. A Joint Status Report regarding *Loeffler* and the parties' recommendations for discussion must be submitted on January 11, 2012, for the February 1, 2012 hearing. The October 21, 2013 status conference was continued to June 17, 2014.

**McCLAIN, MICHAEL, et al. v. Sav-On Drugs, et al.**

**Cross-Complaint: Walgreen Co. v. The California State Board of Equalization**

Los Angeles Superior Court Case No. BC325272

Plaintiffs' Counsel

Douglas C. Rawles  
ReedSmith LLP

Filed – 02/24/06

BOE's Counsel

Bonnie Holcomb  
BOE Attorney  
John Waid

Issue(s): Whether sales tax reimbursement was illegally being collected on the sale of glucose test strips and skin puncture lancets which were exempt from sales tax ([Regulation 1591.1](#)).

Audit/Tax Period: None

Amount: Unspecified

Status: By order dated November 17, 2007, the trial court ruled in favor of defendants Sav-on Drugs, et al., that sales tax was properly applied to these transactions. Further issues not involving the BOE are still pending. On July 6, 2011, the court heard Walgreen's motion for summary judgment or summary adjudication of issues. The court denied summary judgment as to all issues against both plaintiffs. The court granted summary adjudication as to the sales of skin lancets as to both plaintiffs and as to the sales of glucose test strips as to plaintiff Feigenblatt. Plaintiff Feigenblatt was dismissed from the case. Plaintiff McClain remains in the case but only as to sales of glucose test strips. The court did not grant summary judgment as to all causes of action because the court is still awaiting the California Supreme Court's ruling in *Loeffler*. Plaintiffs' motion to compel discovery and defendants' motion for judgment on the pleadings is continued, along with the Status Conference, from September 27, 2011, to October 26, 2011. At the hearing, the Court continued the stay on the Plaintiff's motion to compel discovery and defendants' motion for judgment on the pleadings. A Joint Status Report regarding *Loeffler* and the parties' recommendations for discussion must be submitted on January 11, 2012, for the February 1, 2012 hearing. The October 21, 2013 status conference was continued to June 17, 2014.

**MENDOTA DESIGNATED LOCAL AUTHORITY v. CA Director of Finance, Ana Matosantos, et al.**

Sacramento Superior Court Case No. 34-2012-80001353

Plaintiff's Counsel

John G. McClendon  
Leibold McClendon & Mann, P.C.

Filed –12/23/12

BOE's Counsel

Jeff Rich  
BOE Attorney  
John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: The BOE is a “remedial defendant” in this case and has an open extension of time to respond to the petition.

**MERCED DESIGNATED LOCAL AUTHORITY v. CA Director of Finance, Ana Matosantos, et al.**

Sacramento Superior Court Case No. 34-2012-80001351

Filed –12/28/12

BOE’s Counsel

Jeff Rich

BOE Attorney

John Waid

Plaintiff’s Counsel

John G. McClendon

Leibold McClendon & Mann, P.C.

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: The BOE is a “remedial defendant” in this case and has an open extension of time to respond to the petition.

**MOHAN, DIANE, et al. v. Dell, Inc., et al.**

San Francisco Superior Court Case No. CGC 03-419192

Filed – 11/01/04

BOE’s Counsel

Anne Michelle Burr

BOE Attorney

John Waid

Plaintiffs’ Counsel

Jason Bergmann

Paul, Hastings, Janofsky & Walker, LLP

Issue(s): Whether Dell illegally collected use tax measured by the price of optional service contracts even though the contracts were not separately stated on the invoice ([Revenue and Taxation Code 6011](#); [Regulations 1546](#) and [1655](#)).

Audit/Tax Period: None

Amount: Unspecified

Status: The trial court ruled that the service contracts were in fact optional and that the Dell entities should not have collected tax on their sales. Dell took up a writ of mandate on this issue to the First District Court of Appeal. In a published decision, the appeals court agreed with the trial judge. (*Dell, Inc. v. Sup. Ct.* (2008) 159 Cal.App.4th 911.) Plaintiffs’ Unfair Competition Law claims are still pending.

The court continued the Case Management/Settlement Conference to December 9, 2011. On December 12, 2011, the trial court gave preliminary approval to the class action settlement reached by the parties. A Settlement Administrator was retained and will print announcements of the class action settlement which will be mailed to eligible customers with instructions on how claimants can go online to complete their refund claims. Notices were mailed to approximately 3.6 million potential claimants, and claims have started to be filed with the third party settlement administrator. The deadline to opt out of the settlement, and to file objections, was March 19, 2013. The hearing for

final court approval of the settlement was April 18, 2013. The court stated that it would approve the settlement, and the parties are preparing a form of judgment for consideration and entry by the court. The last day on which claims may be filed is May 29, 2013. The Board does not plan to mail any refunds until after the court's final judgment, and any appeal periods, have passed, which is not expected until after July 1, 2013. On June 12, 2013, Judge Kramer entered Judgment in the case, along with Orders approving the class action settlements. Notice of Entry of Judgment was issued by Plaintiffs' counsel, and the time to file an appeal expires August 13, 2013. BOE staff is working with claims files that are being received from the settlement administrator, and if there are no appeals taken from the judgment or the Orders, the BOE may begin issuing refunds during the third quarter 2013. On August 5, 2013, Ronald Schonbrun, attorney for objector Fred Sondheimer, filed a Notice of Appeal, appealing the trial court's denial of his objections to the settlement agreements. The Court of Appeal has set a briefing schedule, with the objector's opening brief due November 16, 2013. If no extensions are granted, the respondent's brief will be due December 16, 2013. The due date for the objector's opening brief has been extended to January 17, 2014.

**MONTEBELLO, CITY OF, et al. v. Ana Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-80001703

Plaintiff's Counsel

Filed –12/05/13

BOE's Counsel

Sylvia Cates

BOE Attorney

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: On December 18, 2013, Respondent Wendy Watanabe, and County Real Parties in Interest filed their answer to petition for writ of mandate and complaint for declaratory and injunctive relief. On December 30, 2013, DOJ filed its notice of representation of the BOE in lieu of response to petition for writ of mandate and complaint for declaratory and injunctive relief. On December 30, 2013, attorney for Respondents, Ana J. Matosantos and Michael Cohen filed their answer to petition for writ of mandate and complaint for declaratory and injunctive relief.

**NATIONAL CITY, CITY OF, et al. v. Ana Matosantos, et al.**

Sacramento Superior Court Case No. 34-2012-80001198

Plaintiff's Counsel

Guillermo Frias

Kane, Ballmer & Berkman

Filed –07/12/12

BOE's Counsel

Patty Li

BOE Attorney

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified



**Status:** The BOE is a “remedial defendant” in this case. Plaintiff notified defendants that they will file an amended complaint upon the court’s denial of their Temporary Restraining Order to halt the State from withholding local tax distributions. Plaintiff filed its Amended Petition for Writ of Mandate and Complaint for Declaratory Relief and Injunction on August 30, 2012. BOE filed its response on October 9, 2012. At the September 13, 2013 hearing on Petition for Writ of Mandate the judge ordered supplemental briefing to be completed no later than October 18, 2013. The Court will consider the matter submitted as of that date. No new hearing is set. On October 18, 2013, Respondents filed their supplemental brief in opposition to the opening brief of *San Marcos and National City* for the first amended writ petition and complaint. On November 7, 2013, the Court issued its ruling in favor of Respondents. The Court further found that the Petitioners failed to show that they were prevented from meeting their other enforceable obligations by making their AB 1484 payments. On December 6, 2013, Plaintiffs filed an order and judgment denying amended petition for writ of mandate, and dismissing complaint for declaratory relief and injunction. BOE filed its notice of entry of judgment on December 18, 2013.

**NOVATO, CITY OF, et al. v. Ana Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-80001496

*Plaintiff’s Counsel*

Dan Slater

Rutan & Tucker

Filed –5/22/13

*BOE’s Counsel*

Alexandra R. Gordon

*BOE Attorney*

John Waid

**Issue(s):** Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

**Audit/Tax Period:** None

**Amount:** Unspecified

**Status:** BOE’s response was filed on June 28, 2013. Marin County Transit District, Real Party in Interest, filed its response to the petition for writ of mandate and complaint for declaratory and injunctive relief on August 6, 2013.

**ONTARIO, CITY OF, et al. v. Ana J. Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-80001625

*Plaintiff’s Counsel*

T. Brent Hawkins

Best Best & Krieger

Filed –09/09/13

*BOE’s Counsel*

Jonathan Eisenberg

*BOE Attorney*

John Waid

**Issue(s):** Dispute is over certain provisions of AB1484 (2012). Petitioners allege that statutes that may require the Board to withhold local tax distributions are unconstitutional.

**Audit/Tax Period:** None

**Amount:** Unspecified

**Status:** On September 16, 2013, the Court signed the order denying ex parte motion for TRO. On October 18, 2013, Petitioners filed an amended petition for writ of mandate and complaint for injunctive and

declaratory relief. On November 15, 2013, the DOF issued to the BOE local sales and use tax withhold orders to commence with the November 2013 distributions. On November 18, 2013, Respondents filed an answer to amended petition for writ of mandate and complaint for injunctive and declaratory relief. On December 6, 2013, attorneys for Real Parties in Interest filed a stipulation regarding compliance with issued writ of mandate, judgment, and/or final ruling by and between Petitioners and Real Parties in Interest; proposed order regarding compliance with issued writ of mandate, judgment, and/or final ruling. On December 23, 2013, Petitioners filed a stipulation regarding retention by auditor-controller of withheld city sales and use taxes.

**PALM SPRINGS, CITY OF, et al. v. Ana Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-80001440

*Plaintiff's Counsel*

Douglas C. Holland

Woodruff, Spradlin & Smart

Filed -4/2/2013

*BOE's Counsel*

Jeff Rich

*BOE Attorney*

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: BOE's response was filed on May 6, 2013. Petitioner's Ex Parte Application for Temporary Restraining Order and Order to Show Cause Re: Preliminary Injunction was denied on May 31, 2013. Petitioner filed an amended Summons and Complaint on June 26, 2013. On July 24, 2013, the court denied Plaintiffs' ex parte application for a temporary restraining order in order to show cause regarding an issuance of a preliminary injunction. Cross-Defendants' notice of hearing on their demurrer and demurrer to cross complaint and memorandum of points and authorities in support thereof is scheduled for April 18, 2014.

**PINOLE, CITY OF, et al. v. Michael Cohen, et al.**

Sacramento Superior Court Case No. 34-2013-80001692

*Plaintiff's Counsel*

Benjamin T. Reyes, II

Myers, Nave, Riback, Silver & Wilson

Filed -08/01/13

*BOE's Counsel*

Patty Li

*BOE Attorney*

John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: On November 15, 2013, the DOF issued the BOE local sales and use tax withhold orders to commence with the November 2013 distributions. On December 20, 2013, DOJ filed its notice of representation of the BOE in lieu of response to complaint. Respondents filed their answer to petition for writ of mandate and complaint for declaratory relief on December 20, 2013. On December 31, 2013, Real Party in Interest Alameda-Contra Costa Transit District filed its response and answer to petition for writ of mandate and complaint for declaratory relief.



**RANCHO CORDOVA, CITY OF v. Ana Matosantos, et al.**

Sacramento Superior Court Case No. 34-2012-80001356

Filed –12/28/12

BOE's Counsel

Anthony O'Brien

BOE Attorney

John Waid

Plaintiff's Counsel

David W. Skinner

Meyers, Nave, Riback, Silver &amp; Wilson

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: NoneAmount: Unspecified

Status: The BOE is a "remedial defendant" in this case. BOE filed its response on February 13, 2013. A hearing is scheduled for November 15, 2013. On October 1, 2013, Petitioners filed their opening brief. On October 21, 2013, the Department of Justice filed a request for judicial notice in support of Defendant. On November 15, 2013, the court issued a tentative ruling denying the petition for writ of mandate. On December 13, 2013, judgment was entered against Petitioners denying the petition for writ of mandate. The complaint for declaratory and injunctive relief was dismissed. Respondent shall recover her costs of suit, pursuant to section 6103.5 of the Government Code, payable to the court.

**REDWOOD CITY, CITY OF v. State of California**

Sacramento Superior Court Case No. 34-2012-80001447

Filed –03/22/13

BOE's Counsel

Jonathan Eisenberg

BOE Attorney

John Waid

Plaintiff's Counsel

Iris Yang

Best &amp; Krieger, LLP

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: NoneAmount: Unspecified

Status: BOE's response was filed on April 25, 2013. A hearing is scheduled for November 1, 2013. On October 31, 2013, the Court tentatively denied Petitioner's petition for writ of mandate. On November 22, 2013, Petitioners filed a supplemental briefing in support of petition for writ of mandate.

**RIVERSIDE, COUNTY OF v. CA Dept. of Finance**

Sacramento Superior Court Case No. 34-2012-80001425

Filed –03/1/13

BOE's Counsel

Michael Glenn Witmer

BOE Attorney

John Waid

Plaintiff's Counsel

Thomas W. Barth

Barth Tozer &amp; Daly LLP

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: NoneAmount: Unspecified

Status: BOE's response was filed on April 15, 2013. A hearing is scheduled for December 20, 2013. Petitioners filed their opening brief on October 8, 2013. On November 6, 2013, Respondents filed a stipulation and proposed order to modify briefing schedule for merits hearing. On November 12, 2013, attorney for Real Party in Interest filed their response to the writ of mandate by affected real party in interest, Desert Alliance For Community Empowerment, Inc. On November 13, 2013, attorneys for Real Party in Interest, Alliant Consulting filed its answer to petition for writ of mandate and complaint for declaratory relief, injunctive relief and promissory estoppel. A brief in support of Plaintiffs' opening brief was filed on the same date. On November 13, 2013, Respondents filed an opposition to writ of mandate, and a request for judicial notice in opposition to writ of mandate. On December 3, 2013, Respondent filed objections to Dace's evidence and declarations in support of its petition for writ of mandate. Respondent also filed a response to the brief of Desert Alliance for Community Empowerment in opposition to writ of mandate on the same date. On December 3, 2013 Respondent filed an amended request for judicial notice in opposition to brief of Desert Alliance for community empowerment, and objections to petitioner's evidence and declarations in opposition to petition for writ of mandate. On December 9, 2013, Plaintiffs filed a reply in support of petition for writ of mandate and complaint for declaratory relief, injunctive relief and equitable estoppel. Plaintiffs also filed objections to request for judicial notice on the same date. Plaintiffs filed judicial notice in support of reply of opening brief on petition for writ of mandate and complaint for declaratory relief, injunctive relief and equitable estoppel, on December 9, 2013. Respondent Ana Matosantos filed a response to the brief of Desert Alliance on December 9, 2013. The Court heard argument from the respective parties and took the matter under submission at the December 20, 2013 hearing, on petition for writ of mandate. On December 30, 2013, Plaintiffs filed Ex Parte Applications for Stay and Order to Show Cause regarding preliminary injunction. On December 31, 2013, the Court granted a three-day TRO and continued the case to Friday, January 3, 2014, for further review regarding a motion for preliminary injunction and/or further extension of the TRO. The Court signed the Order on Ex Parte Application for Stay and Order to Show Cause regarding Preliminary Injunction.

**SAN BERNARDINO, CITY OF v. John Chiang, State Controller**

USBC, Central District, Riverside, Case No. 6:12-BK-28006-MJ

*Plaintiff's Counsel*

James F. Penman

Attorney for the City of San Bernardino

Filed -03/26/13

*BOE's Counsel*

None

*BOE Attorney*

John Waid

Issue(s): Even though this case was filed in bankruptcy court, the dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: Plaintiff San Bernardino filed an amended complaint on May 23, 2013. BOE's response was filed on June 5, 2013. The July 2, 2013, hearing was continued to August 22, 2013. On September 11, 2013, the Trial Court entered an order granting the motions of the Department of Finance (DOF) and State Controller's Office (SCO), to dismiss San Bernardino's complaint for declaratory relief with leave to amend and to deny its motion, without prejudice for an order that DOF violated the automatic stay in bankruptcy by issuing its demand letter. On September 24, 2013, Defendants submitted their election to have the appeal heard by the District Court.

**SAN DIEGO, CITY OF v. Ana J. Matosantos, CA Director of Finance**

Sacramento Superior Court Case No. 34-2013-80001454

Plaintiff's Counsel

Meghan Ashley Wharton  
San Diego Deputy City Attorney

Filed –4/19/2013

BOE's Counsel

Michael Glen Witmer  
BOE Attorney  
John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: Plaintiffs' application for Temporary Restraining Order was heard April 25, 2013, and denied from the bench. On May 29, 2013, Plaintiff/Petitioner filed an amended notice. A hearing is scheduled for December 13, 2013. Petitioner filed a Verified First Amended Petition for Writ of Mandate and Complaint for Declaratory Relief on May 31, 2013. On October 28, 2013, Petitioners filed a stipulation and proposed order to continue hearing on the merits and establish briefing schedule. The judge approved the order on the same day.

**SAN LEANDRO, CITY OF, v. Ana J. Matosantos, CA Director of Finance**

Sacramento Superior Court Case No. 34-2013-80001708

Plaintiff's Counsel

Deborah J. Fox  
Meyers, Nave, Riback, Silver & Wilson

Filed –12/12/2013

BOE's Counsel

Paul Stein  
BOE Attorney  
John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: BOE filed its answer on April 23, 2013. A Hearing is set for July 18, 2014.

**SANTA ANA, CITY OF, et al. v. Ana Matosantos, et al.**

Sacramento Superior Court Case No. 34-2013-80001477

Court of Appeal, Third Appellate District No. C074528

Plaintiff's Counsel

Iris Yang  
Best Best & Krieger, LLP

Filed –4/29/2013

BOE's Counsel

Jonathan Eisenberg  
BOE Attorney  
John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: BOE's response was filed on May 31, 2013. Plaintiff filed an amended petition for writ of mandate and declaratory relief on May 30, 2013. BOE's response was filed on June 11, 2013. On August 22, 2013, Plaintiff City of Santa Ana filed a notice of appeal in the Court of Appeal, Third Appellate District.

Court of Appeal: On August 28, 2013, the court granted petitioners' request for judicial notice as to exhibits one, two and three, and denied as to exhibit four. The petition for writ of supersedeas with request for stay was denied.

Trial Court: On September 11, 2013, the Court filed BOE's order on motion for Temporary Restraining Order (TRO). On October 3, 2013, the court issued an order relating the Santa Ana case to *Cuenca v. Matosantos et al.* The hearing currently set for December 20, 2013, has been taken off the calendar and no new date has been set. On November 4, 2013, Plaintiffs filed proof of publication of Summons.

**SANTA FE, CITY OF, et al. v. Ana Matosantos, et al.**  
Sacramento Superior Court Case No. 34-2013-80001528

Filed –6/14/2013  
BOE's Counsel

Plaintiff's Counsel  
Holly O. Whatley  
Colantuono & Levin, PC

BOE Attorney  
John Waid

Issue(s): Dispute is over certain provisions of [AB1484](#) (2012). Plaintiff alleges that statutes that may require the Board to withhold local tax distributions are unconstitutional.

Audit/Tax Period: None

Amount: Unspecified

Status: BOE will file a timely response.

**SOUTH SAN FRANCISCO, CITY OF v. California State Board of Equalization, et al.**

San Francisco Superior Court Case No. CPF-09-509231  
Court of Appeal, First Appellate District: A137186

Filed – 02/20/09  
BOE's Counsel

Plaintiff's Counsel  
Peter S. Hayes  
Meyers, Nave, Roback, Silver & Wilson

Kris Whitten  
BOE Attorney  
John Waid

Issue(s): Whether BOE's characterization of transactions where the property sold is shipped to California customers from points out of state and the retailer has a business operation in South San Francisco as being subject to use tax is valid.

Audit/Tax Period: 1996 - Present

Amount: Unspecified

Status: The parties have stipulated and filed a motion to assign the *City of Alameda v. BOE*, *City of Brisbane v. BOE*, and the *City of South San Francisco v. BOE* to a single judge for all purposes. Trial began on October 17, 2011 and was continued to November 1, 2011. The trial commenced on October 17, 2011 and is still on-going. The Court accepted petitioners' argument and judgment was entered on

September 18, 2012. The BOE had until November 20, 2012, to determine whether to appeal the decision. BOE filed its Notice of Appeal on November 16, 2012. A hearing on Petitioner's November 13, 2012 Motion for Attorney Fees, has been continued to February 5, 2013. After oral argument, court continued the matter from March 6, 2013 to May 22, 2013, for further argument.

Court of Appeal: BOE's Opening Briefs and the Joint Appendix are due to be filed on or before April 2, 2013. After oral argument at the June 5, 2013 hearing, the court continued the hearing to August 14, 2013. Appellant's reply brief is due on November 20, 2013. On August 19, 2013, counsels for Appellants City of El Segundo and Cities of Alameda, et al., filed certificates of interested entities. In a letter to the court, the City of El Segundo joined the combined Respondents' brief and Appellants' opening brief of the Cities and will not file its own. BOE's response will be due 60 days after Appellants file their opening brief. On November 15, 2013, the parties' stipulated request to consolidate appeals was granted and the appeals were ordered consolidated for all purposes. BOE filed its reply brief on December 3, 2013, in its own appeal, and a Cross-Respondent's brief in the Petitioner's cross-appeal. The Intervenor's reply briefs were filed on December 19, 2013. The DOJ filed a stipulation for Extension of Time on behalf of the BOE on December 31, 2013. The new date for Petitioners to file their reply brief is February 20, 2014. New date for BOE to file its opening brief in the attorney fees part is March 3, 2014.

**TORRANCE, CITY OF v. California State Board of Equalization, et al.**

San Francisco Superior Court Case No. CPF-12-512338

Plaintiff's Counsel

Charles Coleman

Holland & Knight

Filed -08/09/12

BOE's Counsel

Kris Whitten

BOE Attorney

John Waid

Issue(s): Whether BOE's characterization of transactions where the property sold is shipped to California customers from points out of state and the retailer has a business operation in the City of Torrance as being subject to use tax is valid.

Audit/Tax Period: None

Amount: Unspecified

Status: BOE filed its response on September 21, 2012.

**TRIANGLE FOODS, INC. III**

(Subpoena Duces Tecum)

Los Angeles Superior Court Case No. BS143434

Plaintiff's Counsel

Phillip C. Greenwald

Law Offices of Peter Greenwald

Filed - 4/25/2013

BOE's Counsel

Brian Wesley

BOE Attorney

W. Gregory Day

Issue(s): Respondent supplies and services catering trucks, and has refused to produce documents and records in response to an administrative subpoena concerning those catering trucks that was issued pursuant to [Revenue and Taxation Code section 6074](#) and [Government Code sections 15613, 15617 and 15618](#). BOE served an administrative subpoena duces tecum on the Respondents on April three (3) administrative subpoenas duces tecum on the Respondents on May 16, 2012. Respondents have

indicated that the issuance of the subpoena to each respondent was legally improper and violated the due process rights of the respondent.

Audit/Tax Period: None

Amount: \$0.00

Status: BOE serve an administrative subpoena duces tecum on the Respondents on April 25, 2013, with a compliance date of May 28, 2013. The hearing on Triangle Foods' motion to quash service of the subpoena and petition for enforcement is set for September 25, 2013. The Court denied Triangle Foods' motion to quash service of the subpoena at the September 25, 2013 hearing. A hearing date for November 18, 2013 on a demurrer and motion to strike the petition was requested by Triangle's attorney. On October 22, 2013, Triangle served its Notice of Demurrer and Notice of Motion to Strike in the matter. On November 4, 2013, BOE filed its opposition to the demurrer and motion to strike. On November 14, 2013, Triangle Foods filed its reply to BOE's opposition. On November 18, 2013, the Court heard the matter and held a case management conference. The Court took the demurrer and motion to strike off calendar and ordered that an Order to Show Cause be issued and served on Triangle Foods. A hearing on the Order to Show Cause was set for January 23, 2014. On December 30, 2014, Triangle Foods filed its opposition brief on the Order to Show Cause. BOE's reply brief is due January 15, 2014.

**WOOSLEY, CHARLES PATRICK v. State Board of Equalization**

Los Angeles Superior Court Case No. CA000499

Court of Appeal, Second Appellate District, Case No. B113661

Plaintiff's Counsel

James M. Gansinger

Gansinger, Hinshaw

Filed – 06/20/78

BOE's Counsel

Diane Spencer-Shaw

BOE Attorney

Sharon Brady Silva

Issue(s): Whether the taxpayer is entitled to a refund of the vehicle license fee ([Revenue and Taxation Code sections 10753 and 10758](#)) and use tax imposed.

Audit/Tax Period: None

Amount: \$1,492.00

Status: On July 21, 2010, the California Supreme Court denied Woosley's Petition for Review. As no further appeals may be taken from the appellate decision, the case will be remanded to the trial court to make further determinations in accordance with the appellate court's decision. Remittitur issued August 3, 2010. Woosley filed his brief on August 22, 2011. The hearing was held on November 15, 2011, and was continued to conclude arguments regarding the first attorney's fee issue. A hearing is scheduled to begin on January 23, 2012 concerning the second and third attorneys' fees issues. Arguments as to the first, second, and third attorney's fees issues were continued to March 1, 2012, and completed. Hearing scheduled for June 26, 2012 was removed from court calendar. Hearing date scheduled on September 7, 2012 was cancelled until decision regarding assignment of judge is resolved. On October 11, 2012, the court issued a Minute Order to reassign the case to a new judge. On October 25, 2012, Plaintiff filed a petition challenging the reassignment. The State's opposition was filed on November 30, 2012, and the hearing on the issue will take place on December 13, 2012. The superior court vacated its decision on February 5, 2013, and set a further hearing on February 13, 2013. On February 14, 2013, the superior court assigned the matter back to the judge who conducted the hearing in 2011 and 2012. A telephonic status conference is scheduled for June 25, 2013. The court ordered the parties to select a new trial date and briefing schedule by July 12, 2013. An additional status conference has been scheduled for July 16, 2013. A trial date has been scheduled for January 27, 2014. Discovery schedules have been set,



and pre-trial briefs are to be filed on or before December 16, 2013. A final status conference has been scheduled for January 8, 2014.

**YABSLEY, RICHARD A. v. CINGULAR WIRELESS LLC**

*(Amicus Curiae Brief)*

California Supreme Court, Case No. S176146

Court of Appeal, Second Appellate District, Case No. B198827

Filed – 12/15/08

BOE's Counsel

None

BOE Attorney

John Waide

Issue(s): This is an Unfair Competition Law case in which plaintiff alleges that the retailer illegally collected sales tax reimbursement based on the full value of the cellular phone purchased rather than the bundled price. The trial court found that [Regulation 1585](#), which required that the sales tax be imposed on the regular price, provided a safe harbor from the customer's unfair competition and false advertising claims. The appeal court affirmed on that basis and also held that [Cal. Const., art. XII, § 32](#), and [Rev. & Tax. Code, § 6932](#), barred the action because the customer's sole remedy for the return of excess sales tax collected was under [Rev. & Tax. Code 6901.5](#). The court also found that the plaintiff lacked standing to maintain his claims because he cited no independently actionable violations, did not show that he was entitled to reimbursement, and could not prove causation. The receipt gave the customer notice of the amount of the tax and, under Civ. Code, § 1555.1 created a rebuttable presumption that he agreed to pay it. BOE filed an amicus brief to support the taxpayer's position that: 1) BOE consumer remedy statutes cannot be used to adjudicate tax disputes; and 2) BOE regulations provided a safe harbor from allegations of illegal activities under the unfair competition law.

Audit/Tax Period: None

Amount: Unspecified

Status: The Court of Appeal issued its opinion on August 19, 2009, and published as 176 Cal.App.4<sup>th</sup> 1156, agreeing with the BOE's position. On November 19, 2009, the taxpayer petitioned the Supreme Court for review. The Court deferred further action pending consideration and disposition of a related issue in *Loeffler v. Target Corp.*, California Supreme Court Case No. S173972 (see Cal. Rules of Court, rule 8.512(d)(2)), or pending further order of the Court. The Court vacated the Court of Appeal's opinion. Oral argument in Loeffler has not yet been set.

**SALES & USE TAX**  
**CLOSED CASES**  
**LITIGATION ROSTER**  
**DECEMBER 2013**

**ALHAMBRA, CITY OF, et al. v. California State Board of Equalization**

Los Angeles Superior Court Case No. BS124978

Court of Appeal, Second Appellate District No. B232833

Filed – 02/19/10

BOE's Counsel

Marta Smith

BOE Attorney

John Waid

Plaintiff's Counsel

Richard R. Terzian, Mark J. Mulkerin

Burke, Williams & Sorensen, LLP

Issue(s): Whether BOE's reallocation of local sales tax away from the Los Angeles county-wide pool and directly to the City of Pomona for the period 1994-2009 violates public policy, due process, the statute of limitations, and the consistent and uniform administration of the law as required by [Revenue and Taxation Code sections 7221](#) et seq.

Audit/Tax Period:

Amount: Unspecified

Disposition: The court consolidated the following cases for all purposes: *City of Palmdale v. BOE* (LASC Case No. BS124919), *City of Los Angeles v. BOE* (LASC Case No. BS124950), and *City of Alhambra v. BOE* (LASC Case No. BS124978). *City of Palmdale* is designated as the lead case. Plaintiffs' petition for writ of mandate was granted. Judgment entered March 9, 2011. BOE's and City of Pomona's Notice of Appeal were filed May 5, 2011. At the hearing on June 2, 2011, the judge summarily denied Petitioners' motion for attorney fees. The case is currently being briefed in the Court of Appeal.

Court of Appeal: Pursuant to stipulation, the court dismissed the appeals of the City of Pomona and the BOE on July 30, 2012. The case will go back to trial court and then remand to the Board for reconsideration of its prior decision regarding City of Pomona's local tax appeal. A Status Conference was held on August 29, 2012. The Supreme Court denied City of Pomona's request to depublish the decision of the Court of Appeal on September 19, 2012. Appellate Court officially dismissed the case seeking depublishing of its opinion on October 24, 2012. The case has returned to the trial court.

Trial Court: Case has been reassigned to a different judge. The August 13, 2013, Status Conference hearing was continued to November 26, 2013. The case was dismissed at the November 26, 2013 status conference.

**LOS ANGELES, CITY OF, et al. v. California State Board of Equalization**

Los Angeles Superior Court Case No. BS124950

Court of Appeal, Second Appellate District No. B232833

Filed – 02/16/10

BOE's Counsel

Marta Smith

BOE Attorney

John Waid

Plaintiff's Counsel

Carmen Trutanich, Pejmon Shemtoob

Office of the Los Angeles City Attorney



Issue(s): Whether BOE's reallocation of local sales tax away from the Los Angeles county-wide pool and directly to the City of Pomona for the period 1994-2009 violates public policy, due process, the statute of limitations, and the consistent and uniform administration of the law as required by [Revenue and Taxation Code sections 7221](#) et seq.

Audit/Tax Period:

Amount: Unspecified

Disposition: The court consolidated the following cases for all purposes: *City of Palmdale v. BOE* (LASC Case No. BS124919), *City of Los Angeles v. BOE* (LASC Case No. BS124950), and *City of Alhambra v. BOE* (LASC Case No. BS124978). *City of Palmdale* is designated as the lead case.

Plaintiffs' petition for writ of mandate was granted. Judgment entered March 9, 2011. BOE's and City of Pomona's Notice of Appeal were filed May 5, 2011. At the hearing on June 2, 2011, the judge summarily denied Petitioners' motion for attorney fees. The case is currently being briefed in the Court of Appeal.

Court of Appeal: Pursuant to stipulation, the court dismissed the appeals of the City of Pomona and the BOE on July 30, 2012. The case will go back to trial court and then remand to the Board for reconsideration of its prior decision regarding City of Pomona's local tax appeal. A Status Conference was held on August 29, 2012. The Supreme Court denied City of Pomona's request to depublish the decision of the Court of Appeal on September 19, 2012. Appellate Court officially dismissed the case seeking depublishing of its opinion on October 24, 2012. The case has returned to the trial court.

Trial Court: Case has been reassigned to a different judge. Status Conference The August 13, 2013, Status Conference hearing was continued to November 26, 2013. The case was dismissed at the November 26, 2013 status conference.

**PALMDALE, CITY OF, et al. v. State of California, Board of Equalization**

Los Angeles Superior Court Case No. BS124919

Court of Appeal, Second Appellate District No. B232833

Plaintiff's Counsel

Mitchell E. Abbott, Veronica S. Gunderson

Richards, Watson & Gershon

Filed – 02/16/10

BOE's Counsel

Marta Smith

BOE Attorney

John Waid

Issue(s): Whether BOE's reallocation of local sales tax away from the Los Angeles county-wide pool and directly to the City of Pomona for the period 1994-2009 violates public policy, due process, the statute of limitations, and the consistent and uniform administration of the law as required by [Revenue and Taxation Code sections 7221](#) et seq.

Audit/Tax Period:

Amount: Unspecified

Disposition: The court consolidated the following cases for all purposes: *City of Palmdale v. BOE* (LASC Case No. BS124919), *City of Los Angeles v. BOE* (LASC Case No. BS124950), and *City of Alhambra v. BOE* (LASC Case No. BS124978). *City of Palmdale* is designated as the lead case.

Plaintiffs' petition for writ of mandate was granted. Judgment entered March 9, 2011. BOE's and City of Pomona's Notice of Appeal were filed May 5, 2011. At the hearing on June 2, 2011,

the judge summarily denied Petitioners' motion for attorney fees. The case is currently being briefed in the Court of Appeal.

Court of Appeal: Pursuant to stipulation, the court dismissed the appeals of the City of Pomona and the BOE on July 30, 2012. The case will go back to trial court and then remand to the Board for reconsideration of its prior decision regarding City of Pomona's local tax appeal. A Status Conference was held on August 29, 2012. The Supreme Court denied City of Pomona's request to depublish the decision of the Court of Appeal on September 19, 2012. Appellate Court officially dismissed the case seeking depublishing of its opinion on October 24, 2012. The case has returned to the trial court.

Trial Court: Case has been reassigned to a different judge. The August 13, 2013, Status Conference hearing was continued to November 26, 2013. The case was dismissed at the November 26, 2013 status conference.

## **DISCLAIMER**

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